

Table I-1  
 Dimensions of Globalization:  
 Principal Components--Initial Country Classification, 1977

Rotated Varimax Component Matrix

|                                       | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|---------------------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| Imports (%GDP)                        | 0.871*                            | 0.208                         | 0.370                        |                               |                                |
| Exports (%GDP)                        | 0.781*                            | -0.385                        | 0.245                        |                               | -0.178                         |
| Trade (%GDP)                          | 0.774*                            | 0.194                         | 0.545*                       |                               |                                |
| Domestic Absorption (%GDP)            | 0.760*                            | 0.158                         | -0.217                       |                               | 0.100                          |
| Domestic Financing (%GDP)             | 0.697*                            | -0.361                        | -0.190                       |                               |                                |
| Growth Classification                 | 0.103                             | 0.790*                        | -0.318                       | 0.105                         | -0.153                         |
| Domestic Credit Banking System (%GDP) | 0.180                             | -0.776*                       |                              | -0.132                        | 0.161                          |
| Telephone Mainlines (1000 people)     | -0.134                            | -0.749*                       | 0.329                        | -0.256                        |                                |
| Sub-Saharan Dummy                     |                                   | 0.655*                        | 0.103                        |                               | 0.253                          |
| Gross FDI (%GDP PP)                   |                                   | -0.257                        | 0.838*                       | -0.166                        |                                |
| Gross PCF (%GDP PP)                   |                                   | -0.308                        | 0.755*                       |                               |                                |
| Expenditure (%GDP)                    | 0.529*                            | 0.148                         | 0.711*                       |                               |                                |
| FDI Net Inflows (%GDP)                |                                   |                               | 0.694*                       | 0.154                         | 0.144                          |
| Import Growth                         |                                   | 0.170                         |                              | 0.831*                        |                                |
| Financing From Abroad (%GDP)          | 0.470                             | 0.119                         |                              | 0.588*                        | 0.175                          |
| GDP Growth                            | -0.218                            | 0.400                         |                              | 0.543*                        | 0.292                          |
| Small Country Dummy                   | 0.165                             | 0.331                         | -0.146                       | -0.433                        | 0.288                          |
| Oil Dummy                             |                                   |                               |                              | 0.132                         | -0.767*                        |
| Export Growth                         |                                   |                               |                              | 0.259                         | 0.733*                         |

Notes: Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization; Rotation converged in 7 iterations.

\* = Factor loadings 0.50 or greater; Due to missing values, 52 countries remained in the analysis.

Data on Trade (% Goods GDP) was not available for this year.

Country Factor Scores

|                 |        |        |        |        |        |
|-----------------|--------|--------|--------|--------|--------|
| United States   | -0.971 | -1.641 | -0.727 | -0.064 | 0.377  |
| Group 1 Average | -0.073 | -1.068 | 0.553  | -0.314 | 0.199  |
| Group 2 Average | -0.183 | 0.057  | -0.272 | 0.122  | 0.325  |
| Group 3 Average | 0.215  | 0.473  | -0.116 | 0.423  | -0.735 |
| Group 4 Average | 0.100  | 1.138  | -0.527 | -0.296 | 0.348  |

Table I-2

Dimensions of Globalization: Initial Group Country Factor Scores, 1977

|   | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|---|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| <b>1.0 Endogenous Growth Countries</b>  |                                   |                               |                              |                               |                                |
| Australia                               | -0.789                            | -0.998                        | 0.187                        | -0.779                        | 0.136                          |
| Austria                                 | 0.111                             | -0.923                        | 0.373                        | -0.055                        | 0.055                          |
| Canada                                  | -0.751                            | -1.066                        | 1.272                        | -0.565                        | 0.462                          |
| Finland                                 | -0.360                            | -0.843                        | 0.390                        | -0.657                        | 0.295                          |
| France                                  | -0.604                            | -0.745                        | 0.438                        | -0.372                        | -0.076                         |
| Iceland                                 | -0.324                            | -0.552                        | 0.504                        | 0.784                         | 0.312                          |
| Israel                                  | 3.280                             | -1.703                        | -0.028                       | -0.209                        | 0.269                          |
| Italy                                   | 0.461                             | -1.657                        | -0.745                       | -0.407                        | 0.417                          |
| Japan                                   | -0.386                            | -2.307                        | -1.378                       | -0.174                        | 1.085                          |
| Korea, Rep.                             | -0.473                            | -0.014                        | 0.060                        | 0.983                         | 0.835                          |
| Netherlands                             | 0.398                             | -1.272                        | 2.499                        | -0.825                        | -0.406                         |
| New Zealand                             | -0.000                            | -0.750                        | 0.606                        | -0.993                        | -0.386                         |
| Norway                                  | -0.044                            | -0.704                        | 3.021                        | -0.122                        | -0.090                         |
| Sweden                                  | -0.284                            | -1.338                        | 0.799                        | -1.069                        | -0.170                         |
| United Kingdom                          | -0.430                            | -0.574                        | 1.582                        | -0.492                        | 0.068                          |
| United States                           | -0.971                            | -1.641                        | -0.727                       | -0.064                        | 0.377                          |
| Group Average                           | -0.073                            | -1.068                        | 0.553                        | -0.314                        | 0.199                          |
| <b>2.0 Catching Up Growth Countries</b> |                                   |                               |                              |                               |                                |
| Argentina                               | -1.597                            | -0.148                        | -0.900                       | 1.200                         | 0.949                          |
| Bangladesh                              | -1.069                            | 0.105                         | -1.251                       | -1.035                        | 1.073                          |
| Egypt                                   | 0.820                             | -0.507                        | -0.511                       | 1.130                         | 0.559                          |
| Greece                                  | -0.331                            | -0.579                        | -0.220                       | -0.301                        | -0.015                         |
| India                                   | -1.145                            | -0.161                        | -1.376                       | 0.744                         | -0.363                         |
| Malaysia                                | -0.059                            | 0.553                         | 2.107                        | 0.495                         | -0.059                         |
| Mauritius                               | 1.888                             | 1.850                         | 0.044                        | -2.186                        | 1.797                          |
| Nicaragua                               | -0.091                            | 0.632                         | 0.259                        | 1.480                         | -0.398                         |
| Philippines                             | -0.605                            | 0.177                         | -0.219                       | 0.066                         | 0.537                          |
| Portugal                                | 0.414                             | -0.795                        | -0.998                       | 0.008                         | 0.264                          |
| Spain                                   | -0.563                            | -0.767                        | -0.680                       | -0.480                        | 0.526                          |
| Sri Lanka                               | -0.064                            | 0.441                         | -0.257                       | -0.593                        | -0.902                         |
| Thailand                                | -0.424                            | -0.062                        | -0.554                       | 0.683                         | 0.473                          |
| Tunisia                                 | 0.265                             | 0.065                         | 0.745                        | 0.501                         | 0.109                          |
| Group Average                           | -0.183                            | 0.057                         | -0.272                       | 0.122                         | 0.325                          |

Table I-2 (contd)

## Dimensions of Globalization: Initial Group Country Factor Scores, 1977

|   | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|---|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| <b><u>3.0 Primary Commodity Producers</u></b> |                                   |                               |                              |                               |                                |
| Cameroon                                      | -0.751                            | 1.642                         | 0.083                        | 0.188                         | -0.110                         |
| Chile   | -0.361                            | -0.041                        | -0.618                       | 0.939                         | 0.000                          |
| Colombia                                      | -1.128                            | 0.494                         | -0.621                       | -0.278                        | -0.578                         |
| Costa Rica                                    | -0.268                            | 0.509                         | 1.103                        | 0.747                         | 0.113                          |
| Ecuador                                       | -0.537                            | 0.593                         | 0.224                        | 0.037                         | -0.569                         |
| Ghana   | -0.327                            | -0.012                        | -1.086                       | -0.720                        | -1.457                         |
| Iran  | 0.445                             | 0.066                         | -0.346                       | -0.082                        | -4.314                         |
| Kenya   | -0.415                            | 1.398                         | 0.840                        | 0.164                         | 0.248                          |
| Mauritania                                    | 2.049                             | 0.616                         | -0.456                       | -1.711                        | -0.668                         |
| Morocco                                       | 1.101                             | -0.148                        | -0.973                       | 1.496                         | 0.236                          |
| Papua New Guinea                              | 0.292                             | 0.913                         | 1.340                        | -0.415                        | -0.645                         |
| Syria   | 1.619                             | -0.497                        | -1.415                       | 0.551                         | -0.787                         |
| Togo  | 1.444                             | 0.765                         | 0.778                        | 3.626                         | 1.522                          |
| Venezuela                                     | -0.148                            | 0.325                         | -0.470                       | 1.384                         | -3.283                         |
| Group Average                                 | 0.215                             | 0.473                         | -0.116                       | 0.423                         | -0.735                         |
| <b><u>4.0 Malthusian Economies</u></b>        |                                   |                               |                              |                               |                                |
| Jordan  | 3.296                             | 0.602                         | -0.606                       | 0.396                         | 0.568                          |
| Malawi  | 0.107                             | 1.647                         | 0.196                        | -0.512                        | 0.185                          |
| Mali  | -0.725                            | 1.226                         | -0.630                       | -0.659                        | 1.105                          |
| Nepal   | -0.251                            | 1.432                         | -1.489                       | -2.100                        | 1.052                          |
| Niger   | -0.571                            | 1.950                         | 0.340                        | -0.730                        | -0.175                         |
| Pakistan                                      | -0.082                            | 0.307                         | -1.464                       | -0.113                        | -1.006                         |
| Paraguay                                      | -1.076                            | 0.803                         | -0.039                       | 1.644                         | 0.707                          |
| Group Average                                 | 0.100                             | 1.138                         | -0.527                       | -0.296                        | 0.348                          |

Notes: Based on factor analysis in Table I-1.

Table I-3  
Initial Country Group Differences, 1977

| Growth Classification |                                    | Mean      | Std. Deviation | Valid N (listwise) |          |
|-----------------------|------------------------------------|-----------|----------------|--------------------|----------|
|                       |                                    |           |                | Unweighted         | Weighted |
| 1.00                  | REGR factor score 1 for analysis 1 | -.0730695 | .98095011      | 16                 | 16.000   |
|                       | REGR factor score 2 for analysis 1 | -1.06836  | .56364833      | 16                 | 16.000   |
|                       | REGR factor score 3 for analysis 1 | .5535485  | 1.13636267     | 16                 | 16.000   |
|                       | REGR factor score 4 for analysis 1 | -.3138515 | .56705770      | 16                 | 16.000   |
| 2.00                  | REGR factor score 1 for analysis 1 | -.1832486 | .87757535      | 14                 | 14.000   |
|                       | REGR factor score 2 for analysis 1 | .0574365  | .69020136      | 14                 | 14.000   |
|                       | REGR factor score 3 for analysis 1 | -.2723220 | .89843834      | 14                 | 14.000   |
|                       | REGR factor score 4 for analysis 1 | .1223020  | .99024649      | 14                 | 14.000   |
| 3.00                  | REGR factor score 1 for analysis 1 | .2153739  | .97624055      | 14                 | 14.000   |
|                       | REGR factor score 2 for analysis 1 | .4733334  | .59181640      | 14                 | 14.000   |
|                       | REGR factor score 3 for analysis 1 | -.1157319 | .86152090      | 14                 | 14.000   |
|                       | REGR factor score 4 for analysis 1 | .4236021  | 1.25010684     | 14                 | 14.000   |
| 4.00                  | REGR factor score 1 for analysis 1 | .0899198  | 1.35725694     | 8                  | 8.000    |
|                       | REGR factor score 2 for analysis 1 | 1.2078688 | .58208810      | 8                  | 8.000    |
|                       | REGR factor score 3 for analysis 1 | -.4280027 | .74584394      | 8                  | 8.000    |
|                       | REGR factor score 4 for analysis 1 | -.3276291 | 1.06615082     | 8                  | 8.000    |
| Total                 |                                    | .0000000  | 1.00000000     | 52                 | 52.000   |
|                       |                                    | .0000000  | 1.00000000     | 52                 | 52.000   |
|                       |                                    | .0000000  | 1.00000000     | 52                 | 52.000   |
|                       |                                    | .0000000  | 1.00000000     | 52                 | 52.000   |

Notes: Factors based on Table I-1, Groups based on Table I-2

Table I-4  
Initial Country Group Discriminant Analysis, 1977

**Variables in the Analysis**

| Step |  | Tolerance | F to Remove | Wilks' Lambda |
|------|--|-----------|-------------|---------------|
| 1    | REGR factor score<br>2 for analysis 1  | 1.000     | 29.629      |               |
| 2    | REGR factor score<br>2 for analysis 1<br>REGR factor score<br>3 for analysis 1 | .726      | 45.873      | .851          |
|      |  | .726      | 9.688       | .351          |

Table I-5  
Initial Country Group Comparisons, 1977

**Pairwise Group Comparisons<sup>a,b</sup>**

| Step | Growth Classification | 1.00      | 2.00           | 3.00           | 4.00           |
|------|-----------------------|-----------|----------------|----------------|----------------|
| 1    | 1.00                  | F<br>Sig. | 25.400<br>.000 | 47.634<br>.000 | 74.169<br>.000 |
|      | 2.00                  | F<br>Sig. | 25.400<br>.000 | 3.250<br>.078  | 18.085<br>.000 |
|      | 3.00                  | F<br>Sig. | 47.634<br>.000 | 3.250<br>.078  | 7.372<br>.009  |
|      | 4.00                  | F<br>Sig. | 74.169<br>.000 | 18.085<br>.000 | 7.372<br>.009  |
| 2    | 1.00                  | F<br>Sig. | 29.370<br>.000 | 43.987<br>.000 | 68.341<br>.000 |
|      | 2.00                  | F<br>Sig. | 29.370<br>.000 | 1.765<br>.182  | 13.396<br>.000 |
|      | 3.00                  | F<br>Sig. | 43.987<br>.000 | 1.765<br>.182  | 6.762<br>.003  |
|      | 4.00                  | F<br>Sig. | 68.341<br>.000 | 13.396<br>.000 | 6.762<br>.003  |

a. 1, 48 degrees of freedom for step 1.

b. 2, 47 degrees of freedom for step 2.

Notes: Based on the F-Statistic the two most dissimilar groups are 1 and 4 followed by 1 and 3 and 1 and 2

Table I-6

## Dimensions of Globalization: Initial Group Country Discriminant Scores, 1977

| Country          | Function 1 | Function 2 |
|------------------|------------|------------|
| Argentina        | 0.48781    | -0.86317   |
| Australia        | -2.03587   | -0.23687   |
| Austria          | -2.05407   | -0.04065   |
| Bangladesh       | 1.26547    | -1.07413   |
| Benin            | 2.95284    | 0.92667    |
| Cameroon         | 3.01582    | 0.73902    |
| Canada           | -3.08947   | 0.70388    |
| Chile            | 0.44964    | -0.56843   |
| Colombia         | 1.46067    | -0.35434   |
| Costa Rica       | 0.01592    | 1.19002    |
| Ecuador          | 0.92381    | 0.44066    |
| Egypt, Arab Rep. | -0.51814   | -0.66132   |
| Finland          | -1.91895   | 0.00660    |
| France           | -1.77465   | 0.08925    |
| Ghana            | 0.90350    | -0.97433   |
| Greece           | -0.90130   | -0.43086   |
| Iceland          | -1.46882   | 0.22677    |
| India            | 0.87120    | -1.29320   |
| Iran             | 0.42163    | -0.28242   |
| Israel           | -3.17783   | -0.71525   |
| Italy            | -2.47991   | -1.33592   |
| Japan            | -3.16091   | -2.16353   |
| Jordan           | 1.64992    | -0.29688   |
| Kenya            | 1.91172    | 1.31540    |
| Korea, Rep.      | -0.07777   | 0.04787    |
| Malawi           | 2.92884    | 0.84203    |
| Malaysia         | -0.75787   | 2.10399    |

Table I-6 (contd)

## Dimensions of Globalization: Initial Group Country Discriminant Scores, 1977

| Country          | Function 1 | Function 2 |
|------------------|------------|------------|
| Mali             | 2.84277    | -0.06651   |
| Mauritania       | 1.54815    | -0.15791   |
| Mauritius        | 3.44015    | 0.78826    |
| Morocco          | 0.55231    | -0.92874   |
| Nepal            | 3.96358    | -0.74918   |
| Netherlands      | -4.52412   | 1.71414    |
| New Zealand      | -1.92701   | 0.23709    |
| Nicaragua        | 0.96814    | 0.48802    |
| Niger            | 3.37531    | 1.09281    |
| Norway           | -3.90066   | 2.41050    |
| Pakistan         | 1.82662    | -1.18211   |
| Papua New Guinea | 0.57269    | 1.56553    |
| Paraguay         | 1.54377    | 0.29005    |
| Philippines      | 0.52109    | -0.12342   |
| Portugal         | -0.64301   | -1.21223   |
| Spain            | -0.86296   | -0.91789   |
| Sri Lanka        | 1.05003    | -0.05119   |
| Sweden           | -3.19847   | 0.17156    |
| Syria            | 0.27328    | -1.46412   |
| Thailand         | 0.35514    | -0.52021   |
| Togo             | 0.77594    | 1.00426    |
| Tunisia          | -0.51256   | 0.69195    |
| United Kingdom   | -2.43024   | 1.17937    |
| United States    | -2.46608   | -1.31325   |
| Venezuela, RB    | 1.01285    | -0.28765   |

Note: Based on analysis in Table I-4

Table I-7

Dimensions of Globalization: Initial Country Group Discriminant Classification, 1977

|                | Initial Group | Model Placement |        |        |        |        |
|----------------|---------------|-----------------|--------|--------|--------|--------|
|                |               | Group1          | Group2 | Group3 | Group4 | Group5 |
| Australia      | 1.00          | 0.926           | 0.063  | 0.010  | 0.000  | 0.000  |
| Austria        | 1.00          | 0.932           | 0.057  | 0.009  | 0.000  | 0.000  |
| Canada         | 1.00          | 0.997           | 0.002  | 0.000  | 0.000  | 0.000  |
| Finland        | 1.00          | 0.904           | 0.080  | 0.015  | 0.000  | 0.000  |
| France         | 1.00          | 0.862           | 0.112  | 0.024  | 0.000  | 0.000  |
| Iceland        | 1.00          | 0.724           | 0.215  | 0.059  | 0.000  | 0.000  |
| Israel         | 1.00          | 0.996           | 0.003  | 0.000  | 0.000  | 0.000  |
| Italy          | 1.00          | 0.971           | 0.025  | 0.002  | 0.000  | 0.000  |
| Japan          | 1.00          | 0.994           | 0.004  | 0.000  | 0.000  | 0.000  |
| *Korea, Rep.   | 1.00          | 0.036           | 0.577  | 0.369  | 0.016  | 0.000  |
| Netherlands    | 1.00          | 0.999           | 0.000  | 0.000  | 0.000  | 0.000  |
| New Zealand    | 1.00          | 0.910           | 0.074  | 0.015  | 0.000  | 0.000  |
| Norway         | 1.00          | 0.999           | 0.000  | 0.000  | 0.000  | 0.000  |
| Sweden         | 1.00          | 0.997           | 0.002  | 0.000  | 0.000  | 0.000  |
| United Kingdom | 1.00          | 0.982           | 0.014  | 0.002  | 0.000  | 0.000  |
| United States  | 1.00          | 0.970           | 0.026  | 0.002  | 0.000  | 0.000  |
| Group Average  |               | 0.887           | 0.078  | 0.032  | 0.001  | 0.000  |
| Argentina      | 2.00          | 0.005           | 0.560  | 0.390  | 0.043  | 0.000  |
| *Bangladesh    | 2.00          | 0.000           | 0.397  | 0.430  | 0.171  | 0.000  |
| Egypt          | 2.00          | 0.113           | 0.635  | 0.245  | 0.005  | 0.000  |
| Greece         | 2.00          | 0.297           | 0.528  | 0.171  | 0.001  | 0.000  |
| India          | 2.00          | 0.001           | 0.513  | 0.402  | 0.083  | 0.000  |
| Malaysia       | 2.00          | 0.299           | 0.391  | 0.303  | 0.004  | 0.000  |
| *Mauritius     | 2.00          | 0.000           | 0.007  | 0.062  | 0.929  | 0.000  |
| *Nicaragua     | 2.00          | 0.001           | 0.355  | 0.513  | 0.128  | 0.000  |
| Philippines    | 2.00          | 0.005           | 0.496  | 0.444  | 0.052  | 0.000  |
| Portugal       | 2.00          | 0.143           | 0.656  | 0.197  | 0.003  | 0.000  |
| Spain          | 2.00          | 0.254           | 0.578  | 0.165  | 0.001  | 0.000  |
| *Sri Lanka     | 2.00          | 0.000           | 0.376  | 0.485  | 0.137  | 0.000  |
| Thailand       | 2.00          | 0.008           | 0.558  | 0.397  | 0.035  | 0.000  |
| Tunisia        | 2.00          | 0.138           | 0.537  | 0.316  | 0.006  | 0.000  |
| Group Average  |               | 0.090           | 0.471  | 0.323  | 0.114  | 0.000  |

Table I-7 (contd)

Dimensions of Globalization: Initial Country Group Discriminant Classification, 1977

|                  | Initial Group | Model Placement |        |        |        |        |
|------------------|---------------|-----------------|--------|--------|--------|--------|
|                  |               | Group1          | Group2 | Group3 | Group4 | Group5 |
| *Cameroon        | 3.00          | 0.000           | 0.019  | 0.117  | 0.862  | 0.000  |
| *Chile           | 3.00          | 0.006           | 0.544  | 0.406  | 0.042  | 0.000  |
| Colombia         | 3.00          | 0.000           | 0.295  | 0.452  | 0.251  | 0.000  |
| *Costa Rica      | 3.00          | 0.032           | 0.479  | 0.463  | 0.024  | 0.000  |
| Ecuador          | 3.00          | 0.001           | 0.369  | 0.510  | 0.118  | 0.000  |
| *Ghana           | 3.00          | 0.001           | 0.480  | 0.424  | 0.093  | 0.000  |
| *Iran            | 3.00          | 0.007           | 0.528  | 0.422  | 0.042  | 0.000  |
| *Kenya           | 3.00          | 0.000           | 0.116  | 0.400  | 0.482  | 0.000  |
| Mauritania       | 3.00          | 0.000           | 0.260  | 0.449  | 0.289  | 0.000  |
| *Morocco         | 3.00          | 0.004           | 0.552  | 0.394  | 0.048  | 0.000  |
| Papua New Guinea | 3.00          | 0.005           | 0.359  | 0.560  | 0.074  | 0.000  |
| *Syria           | 3.00          | 0.009           | 0.641  | 0.323  | 0.024  | 0.000  |
| Togo             | 3.00          | 0.002           | 0.359  | 0.538  | 0.099  | 0.000  |
| Venezuela        | 3.00          | 0.001           | 0.402  | 0.471  | 0.125  | 0.000  |
| Group Average    |               | 0.005           | 0.386  | 0.424  | 0.184  | 0.000  |
|                  |               |                 |        |        |        |        |
| Benin            | 4.00          | 0.000           | 0.021  | 0.127  | 0.850  | 0.000  |
| *Jordan          | 4.00          | 0.000           | 0.243  | 0.429  | 0.326  | 0.000  |
| Malawi           | 4.00          | 0.000           | 0.023  | 0.132  | 0.844  | 0.000  |
| Mali             | 4.00          | 0.000           | 0.036  | 0.149  | 0.814  | 0.000  |
| Nepal            | 4.00          | 0.000           | 0.004  | 0.028  | 0.967  | 0.000  |
| Niger            | 4.00          | 0.000           | 0.008  | 0.068  | 0.922  | 0.000  |
| *Pakistan        | 4.00          | 0.000           | 0.249  | 0.375  | 0.375  | 0.000  |
| *Paraguay        | 4.00          | 0.000           | 0.235  | 0.464  | 0.299  | 0.000  |
| Group Average    |               | 0.000           | 0.102  | 0.222  | 0.675  | 0.000  |

Notes: Based on Analysis in Table H-4; \* represents initial misclassified country.

Summary:

|                 |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|
| Group 1 Average | 0.887 | 0.078 | 0.032 | 0.001 | 0.000 |
| Group 2 Average | 0.090 | 0.471 | 0.323 | 0.114 | 0.000 |
| Group 3 Average | 0.005 | 0.386 | 0.424 | 0.184 | 0.000 |
| Group 4 Average | 0.000 | 0.102 | 0.222 | 0.675 | 0.000 |

Table I-8  
Summary of Country Classification Results

|                              |                       | Classification Results <sup>b,c</sup> |      |      |      | Total |
|------------------------------|-----------------------|---------------------------------------|------|------|------|-------|
|                              |                       | 1.00                                  | 2.00 | 3.00 | 4.00 |       |
| Original                     | Growth Classification | Predicted Group Membership            |      |      |      |       |
|                              | Count 1.00            | 15                                    | 1    | 0    | 0    | 16    |
|                              | 2.00                  | 0                                     | 10   | 3    | 1    | 14    |
|                              | 3.00                  | 0                                     | 6    | 6    | 2    | 14    |
|                              | 4.00                  | 0                                     | 0    | 2    | 6    | 8     |
|                              | % 1.00                | 93.8                                  | 6.3  | .0   | .0   | 100.0 |
|                              | 2.00                  | .0                                    | 71.4 | 21.4 | 7.1  | 100.0 |
|                              | 3.00                  | .0                                    | 42.9 | 42.9 | 14.3 | 100.0 |
|                              | 4.00                  | .0                                    | .0   | 25.0 | 75.0 | 100.0 |
| Cross-validated <sup>a</sup> |                       | 1.00                                  | 15   | 1    | 0    | 16    |
|                              |                       | 2.00                                  | 1    | 9    | 3    | 14    |
|                              |                       | 3.00                                  | 0    | 6    | 6    | 14    |
|                              |                       | 4.00                                  | 0    | 0    | 3    | 8     |
|                              |                       | % 1.00                                | 93.8 | 6.3  | .0   | 100.0 |
|                              |                       | 2.00                                  | 7.1  | 64.3 | 21.4 | 7.1   |
|                              |                       | 3.00                                  | .0   | 42.9 | 42.9 | 14.3  |
|                              |                       | 4.00                                  | .0   | .0   | 37.5 | 62.5  |
|                              |                       |                                       |      |      |      | 100.0 |

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 71.2% of original grouped cases correctly classified.

c. 67.3% of cross-validated grouped cases correctly classified.

Table I-9  
 Dimensions of Globalization:  
 Principal Components--Revised Country Classification, 1977

|                                       | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|---------------------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| Imports (%GDP)                        | 0.883*                            | 0.208                         | 0.340                        |                               |                                |
| Trade (%GDP)                          | 0.793*                            | 0.219                         | 0.514                        |                               |                                |
| Exports (%GDP)                        | 0.782*                            | -0.387                        | 0.238                        |                               | -0.170                         |
| Domestic Absorption (%GDP)            | 0.750*                            |                               | -0.233                       |                               | 0.134                          |
| Domestic Financing (%GDP)             | 0.686*                            | -0.387                        | -0.195                       | -0.102                        |                                |
| Revised Classification                |                                   | 0.918*                        | -0.272                       |                               |                                |
| Domestic Credit Banking System (%GDP) | 0.173                             | -0.726*                       |                              | -0.209                        | 0.180                          |
| Sub-Saharan Dummy                     |                                   | 0.706*                        |                              |                               | 0.204                          |
| Telephone Mainlines (1000 people)     | -0.132                            | -0.700*                       | 0.358                        | -0.310                        | 0.103                          |
| Gross FDI (%GDP PP)                   |                                   | -0.247                        | 0.854*                       | -0.174                        |                                |
| Gross PCF (%GDP PP)                   |                                   | -0.279                        | 0.767*                       |                               |                                |
| FDI Net Inflows (%GDP)                |                                   |                               | 0.697*                       | 0.184                         | 0.180                          |
| Expenditure (%GDP)                    | 0.555                             | 0.204                         | 0.683*                       |                               |                                |
| Import Growth                         |                                   | 0.121                         |                              | 0.837*                        |                                |
| Financing From Abroad (%GDP)          | 0.479                             |                               |                              | 0.585*                        | 0.177                          |
| GDP Growth                            | -0.205                            | 0.414                         |                              | 0.547*                        | 0.268                          |
| Small Country Dummy                   | 0.169                             | 0.392                         | -0.165                       | -0.431                        | 0.214                          |
| Oil Dummy                             |                                   |                               |                              | 0.128                         | -0.797*                        |
| Export Growth                         |                                   |                               |                              | 0.225                         | 0.722*                         |

Notes: Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization; Rotation converged in 8 iterations.  
 Data on Trade as share of Goods GDP not available for 1977

|                 |        |        |        |        |        |
|-----------------|--------|--------|--------|--------|--------|
| United States   | -0.996 | -1.543 | -0.644 | -0.214 | 0.434  |
| Group 1 Average | -0.040 | -1.059 | 0.625  | -0.481 | 0.169  |
| Group 2 Average | -0.098 | -0.221 | -0.340 | 0.492  | -0.100 |
| Group 3 Average | 0.237  | 0.490  | -0.241 | 0.416  | -0.337 |
| Group 4 Average | -0.071 | 1.722  | -0.087 | -0.767 | 0.400  |

Table I-10  
 Dimensions of Globalization:  
 Country Factor Scores--Revised Country Classification, 1977

|                | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|----------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| Australia      | -0.798                            | -0.997                        | 0.231                        | -0.772                        | 0.215                          |
| Austria        | 0.127                             | -0.842                        | 0.389                        | -0.135                        | -0.015                         |
| Canada         | -0.739                            | -1.009                        | 1.341                        | -0.610                        | 0.565                          |
| Finland        | -0.351                            | -0.767                        | 0.422                        | -0.707                        | 0.235                          |
| France         | -0.594                            | -0.732                        | 0.463                        | -0.371                        | -0.088                         |
| Iceland        | -0.287                            | -0.512                        | 0.508                        | 0.755                         | 0.201                          |
| Israel         | 3.279                             | -1.568                        | -0.069                       | -0.391                        | 0.243                          |
| Italy          | 0.437                             | -1.547                        | -0.706                       | -0.553                        | 0.429                          |
| Japan          | -0.428                            | -2.069                        | -1.263                       | -0.494                        | 1.126                          |
| Netherlands    | 0.432                             | -1.072                        | 2.564                        | -1.014                        | -0.409                         |
| New Zealand    | 0.001                             | -0.789                        | 0.604                        | -0.920                        | -0.352                         |
| Norway         | 0.009                             | -0.650                        | 3.063                        | -0.155                        | -0.003                         |
| Sweden         | -0.285                            | -1.205                        | 0.864                        | -1.195                        | -0.172                         |
| United Kingdom | -0.401                            | -0.584                        | 1.605                        | -0.442                        | 0.122                          |
| United States  | -0.996                            | -1.543                        | -0.644                       | -0.214                        | 0.434                          |
| Group Average  | -0.040                            | -1.059                        | 0.625                        | -0.481                        | 0.169                          |
| Argentina      | -1.599                            | -0.176                        | -0.857                       | 1.198                         | 0.961                          |
| Chile          | -0.375                            | -0.005                        | -0.588                       | 0.850                         | 0.016                          |
| Costa Rica     | -0.271                            | 0.195                         | 1.152                        | 0.876                         | 0.270                          |
| Egypt          | 0.824                             | -0.493                        | -0.525                       | 1.063                         | 0.582                          |
| Greece         | -0.353                            | -0.607                        | -0.191                       | -0.297                        | 0.105                          |
| Ghana          | -0.406                            | -0.416                        | -1.055                       | -0.526                        | -1.262                         |
| India          | -1.167                            | -0.276                        | -1.377                       | 0.823                         | -0.339                         |
| Iran           | 0.418                             | 0.032                         | -0.398                       | -0.096                        | -4.473                         |
| Korea, Rep.    | -0.407                            | 0.236                         | -0.002                       | 0.941                         | 0.634                          |
| Malaysia       | -0.002                            | 0.479                         | 2.079                        | 0.627                         | -0.047                         |
| Morocco        | 1.062                             | -0.463                        | -0.961                       | 1.544                         | 0.393                          |
| Philippines    | -0.602                            | 0.113                         | -0.221                       | 0.149                         | 0.550                          |
| Portugal       | 0.386                             | -0.761                        | -0.981                       | -0.075                        | 0.314                          |
| Spain          | -0.591                            | -0.693                        | -0.621                       | -0.579                        | 0.583                          |
| Syria          | 1.549                             | -0.824                        | -1.412                       | 0.601                         | -0.620                         |
| Thailand       | -0.421                            | -0.096                        | -0.554                       | 0.701                         | 0.468                          |
| Tunisia        | 0.286                             | -0.004                        | 0.724                        | 0.572                         | 0.170                          |
| Group Average  | -0.098                            | -0.221                        | -0.340                       | 0.492                         | -0.100                         |

Table I-10 (contd)

Dimensions of Globalization:  
 Country Factor Principal Components--Revised Country Classification, 1977

|                  | Factor1<br>Structural<br>Openness | Factor2<br>Global-<br>ization | Factor3<br>Global<br>Finance | Factor4<br>Trade<br>Expansion | Factor5<br>Global<br>Structure |
|------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|--------------------------------|
| Bangladesh       | -1.075                            | 0.335                         | -1.267                       | -1.054                        | 1.033                          |
| Colombia         | -1.152                            | 0.427                         | -0.608                       | -0.207                        | -0.548                         |
| Ecuador          | -0.540                            | 0.524                         | 0.223                        | 0.110                         | -0.521                         |
| Jordan           | 3.251                             | 0.280                         | -0.652                       | 0.478                         | 0.751                          |
| Mauritania       | 2.014                             | 0.477                         | -0.546                       | -1.548                        | -0.589                         |
| Nicaragua        | -0.028                            | 0.780                         | 0.156                        | 1.520                         | -0.545                         |
| Pakistan         | -0.168                            | -0.038                        | -1.419                       | -0.013                        | -0.801                         |
| Papua New Guinea | 0.314                             | 0.868                         | 1.311                        | -0.321                        | -0.659                         |
| Paraguay         | -1.098                            | 0.535                         | 0.048                        | 1.683                         | 0.857                          |
| Sri Lanka        | -0.037                            | 0.639                         | -0.349                       | -0.561                        | -1.081                         |
| Togo             | 1.515                             | 0.781                         | 0.728                        | 3.538                         | 1.482                          |
| Venezuela        | -0.154                            | 0.268                         | -0.512                       | 1.364                         | -3.420                         |
| Group Average    | 0.237                             | 0.490                         | -0.241                       | 0.416                         | -0.337                         |
| Benin            | 0.023                             | 1.661                         | 0.253                        | -0.490                        | 0.112                          |
| Cameroon         | -0.702                            | 1.837                         | 0.003                        | 0.216                         | -0.288                         |
| Kenya            | -0.357                            | 1.644                         | 0.779                        | 0.145                         | 0.111                          |
| Malawi           | 0.109                             | 1.635                         | 0.175                        | -0.466                        | 0.156                          |
| Mali             | -0.750                            | 1.268                         | -0.590                       | -0.697                        | 1.138                          |
| Mauritius        | 1.977                             | 2.435                         | -0.148                       | -2.230                        | 1.219                          |
| Nepal            | -0.299                            | 1.449                         | -1.484                       | -2.034                        | 0.901                          |
| Niger            | -0.572                            | 1.845                         | 0.316                        | -0.581                        | -0.147                         |
| Group Average    | -0.071                            | 1.722                         | -0.087                       | -0.767                        | 0.400                          |

Table I-11  
Revised Classification: Country Group Differences, 1977

| Group Statistics       |                                    |           |                |                    |          |
|------------------------|------------------------------------|-----------|----------------|--------------------|----------|
| Revised Classification |                                    | Mean      | Std. Deviation | Valid N (listwise) |          |
|                        |                                    |           |                | Unweighted         | Weighted |
| 1.00                   | REGR factor score 1 for analysis 1 | -.0396689 | 1.01028862     | 15                 | 15.000   |
|                        | REGR factor score 2 for analysis 1 | -1.05963  | .44592146      | 15                 | 15.000   |
|                        | REGR factor score 3 for analysis 1 | .6250418  | 1.16386588     | 15                 | 15.000   |
|                        | REGR factor score 4 for analysis 1 | -.4816833 | .46236950      | 15                 | 15.000   |
| 2.00                   | REGR factor score 1 for analysis 1 | -.1142962 | .82746551      | 15                 | 15.000   |
|                        | REGR factor score 2 for analysis 1 | -.2526695 | .39976234      | 15                 | 15.000   |
|                        | REGR factor score 3 for analysis 1 | -.3203170 | .97561717      | 15                 | 15.000   |
|                        | REGR factor score 4 for analysis 1 | .5081335  | .63908713      | 15                 | 15.000   |
| 3.00                   | REGR factor score 1 for analysis 1 | .2058535  | 1.26451423     | 14                 | 14.000   |
|                        | REGR factor score 2 for analysis 1 | .4220122  | .29455123      | 14                 | 14.000   |
|                        | REGR factor score 3 for analysis 1 | -.2767484 | .72649408      | 14                 | 14.000   |
|                        | REGR factor score 4 for analysis 1 | .4101163  | 1.30431914     | 14                 | 14.000   |
| 4.00                   | REGR factor score 1 for analysis 1 | -.0715589 | .88510805      | 8                  | 8.000    |
|                        | REGR factor score 2 for analysis 1 | 1.7220368 | .34527847      | 8                  | 8.000    |
|                        | REGR factor score 3 for analysis 1 | -.0870494 | .68835474      | 8                  | 8.000    |
|                        | REGR factor score 4 for analysis 1 | -.7672977 | .90670043      | 8                  | 8.000    |
| Total                  | REGR factor score 1 for analysis 1 | .0000000  | 1.00000000     | 52                 | 52.000   |
|                        | REGR factor score 2 for analysis 1 | .0000000  | 1.00000000     | 52                 | 52.000   |
|                        | REGR factor score 3 for analysis 1 | .0000000  | 1.00000000     | 52                 | 52.000   |
|                        | REGR factor score 4 for analysis 1 | .0000000  | 1.00000000     | 52                 | 52.000   |

Table I-12  
Revised Country Group Discriminant Analysis, 1977

**Variables in the Analysis**

| Step |                                       | Tolerance | F to Remove | Wilks' Lambda |
|------|---------------------------------------|-----------|-------------|---------------|
| 1    | REGR factor score<br>2 for analysis 1 | 1.000     | 100.845     |               |
| 2    | REGR factor score<br>2 for analysis 1 | .550      | 192.426     | .833          |
|      | REGR factor score<br>3 for analysis 1 | .550      | 18.553      | .137          |
| 3    | REGR factor score<br>2 for analysis 1 | .550      | 188.417     | .573          |
|      | REGR factor score<br>3 for analysis 1 | .539      | 18.817      | .096          |
|      | REGR factor score<br>4 for analysis 1 | .958      | 6.974       | .063          |

Table I-13  
Revised Country Group Comparisons, 1977

|      |                        | Pairwise Group Comparisons <sup>a,b,c</sup> |         |         |         |
|------|------------------------|---|---------|---------|---------|
| Step | Revised Classification | 1.00  | 2.00    | 3.00    | 4.00    |
| 1    | 1.00                   | F   |         | 33.568  | 109.262 |
|      |                        | Sig.  |         | .000    | .000    |
|      | 2.00                   | F   | 33.568  |         | 22.656  |
|      |                        | Sig.  | .000    |         | .000    |
|      | 3.00                   | F   | 109.262 | 22.656  |         |
|      |                        | Sig.  | .000    | .000    |         |
|      | 4.00                   | F   | 277.476 | 139.837 | 59.137  |
|      |                        | Sig.  | .000    | .000    | .000    |
| 2    | 1.00                   | F   |         | 55.693  | 135.445 |
|      |                        | Sig.  |         | .000    | .000    |
|      | 2.00                   | F   | 55.693  |         | 19.479  |
|      |                        | Sig.  | .000    |         | .000    |
|      | 3.00                   | F   | 135.445 | 19.479  |         |
|      |                        | Sig.  | .000    | .000    |         |
|      | 4.00                   | F   | 284.164 | 116.801 | 48.662  |
|      |                        | Sig.  | .000    | .000    | .000    |
| 3    | 1.00                   | F   |         | 40.325  | 91.266  |
|      |                        | Sig.  |         | .000    | .000    |
|      | 2.00                   | F   | 40.325  |         | 12.778  |
|      |                        | Sig.  | .000    |         | .000    |
|      | 3.00                   | F   | 91.266  | 12.778  |         |
|      |                        | Sig.  | .000    | .000    |         |
|      | 4.00                   | F   | 185.668 | 80.926  | 35.459  |
|      |                        | Sig.  | .000    | .000    | .000    |

a. 1, 48 degrees of freedom for step 1.

b. 2, 47 degrees of freedom for step 2.

c. 3, 46 degrees of freedom for step 3.

Based on the F statistic the greatest country group differences are Groups 1 and 4 followed by 1 and 3 , 2 and 4, 1 and 2

Table A-6

Dimensions of Globalization: Initial Country Group Discriminant Scores, 1977

| Country                            | Revised Classification | Function 1 | Function 2 | Function 3 |
|------------------------------------|------------------------|------------|------------|------------|
| <b>Endogenous Growth countries</b> |                        |            |            |            |
| Australia                          | 1.00                   | -3.75465   | -0.78323   | -0.43274   |
| Austria                            | 1.00                   | -3.37544   | -0.22877   | 0.04489    |
| Canada                             | 1.00                   | -4.95542   | -1.27346   | 0.53528    |
| Finland                            | 1.00                   | -3.14319   | -0.86856   | -0.19202   |
| France                             | 1.00                   | -3.06483   | -0.54223   | 0.01412    |
| Israel                             | 1.00                   | -5.45299   | -0.09672   | -0.62346   |
| Italy                              | 1.00                   | -4.71328   | 0.10865    | -1.20990   |
| Japan                              | 1.00                   | -5.97111   | 0.59626    | -1.75234   |
| Netherlands                        | 1.00                   | -6.45592   | -2.42283   | 1.30373    |
| New Zealand                        | 1.00                   | -3.41098   | -1.20037   | -0.15641   |
| Norway                             | 1.00                   | -5.49524   | -1.88425   | 2.22823    |
| Sweden                             | 1.00                   | -5.14627   | -1.57328   | -0.18262   |
| United Kingdom                     | 1.00                   | -3.73733   | -1.32756   | 0.93137    |
| United States                      | 1.00                   | -4.76397   | 0.42946    | -0.99177   |
| Group 1 Average                    |                        | -4.53147   | -0.79049   | -0.03454   |
| <br>                               |                        |            |            |            |
| Argentina                          | 2.00                   | 0.27008    | 1.81648    | -0.14058   |
| Chile                              | 3.00                   | 0.59298    | 1.25569    | -0.05558   |
| Costa Rica                         | 2.00                   | -0.52139   | 0.20579    | 1.40384    |
| Egypt                              | 2.00                   | -1.19587   | 1.53039    | -0.01578   |
| Ghana                              | 2.00                   | -0.36248   | 0.14652    | -1.20612   |
| Greece                             | 2.00                   | -1.93913   | -0.09402   | -0.44493   |
| Iceland                            | 1.00                   | -2.34157   | 0.58783    | 0.65797    |
| India                              | 2.00                   | 0.46189    | 1.74783    | -0.76645   |
| Iran                               | 3.00                   | 0.53316    | 0.13070    | -0.35952   |
| Malaysia                           | 2.00                   | -0.48793   | -0.66376   | 2.09348    |
| Morocco                            | 2.00                   | -0.63461   | 2.29634    | -0.12196   |
| Portugal                           | 2.00                   | -1.65633   | 0.64204    | -1.00735   |
| Spain                              | 2.00                   | -1.79129   | -0.12141   | -0.95010   |
| Syrian Arab Republic               | 2.00                   | -1.43177   | 1.62995    | -1.03507   |
| Thailand                           | 2.00                   | 0.23607    | 1.09386    | -0.12290   |
| Tunisia                            | 2.00                   | -0.77449   | 0.17420    | 0.86293    |
| Group 2 Average                    |                        | -0.69016   | 0.77365    | -0.07551   |

Table A-6

Dimensions of Globalization: Initial Country Group Discriminant Scores, 1977

| Country          | Revised Classification | Function 1 | Function 2 | Function 3 |
|------------------|------------------------|------------|------------|------------|
| Bangladesh       | 3.00                   | 2.51109    | -0.41937   | -1.45742   |
| Colombia         | 3.00                   | 2.14410    | 0.06799    | -0.48869   |
| Ecuador          | 3.00                   | 1.61363    | -0.10902   | 0.35888    |
| Jordan           | 3.00                   | 1.66726    | 0.84870    | -0.22134   |
| Korea, Rep.      | 2.00                   | 0.83026    | 0.95920    | 0.51834    |
| Mauritania       | 3.00                   | 2.26055    | -1.40142   | -1.08741   |
| Nicaragua        | 3.00                   | 2.57947    | 1.38225    | 1.06111    |
| Pakistan         | 3.00                   | 1.34893    | 0.84184    | -1.15565   |
| Papua New Guinea | 3.00                   | 1.69187    | -1.27875   | 1.10245    |
| Paraguay         | 3.00                   | 1.82788    | 1.66373    | 0.99568    |
| Philippines      | 2.00                   | 0.63154    | 0.27086    | -0.07719   |
| Sri Lanka        | 3.00                   | 2.61980    | -0.49956   | -0.40408   |
| Togo             | 3.00                   | 1.97730    | 3.18152    | 2.51469    |
| Venezuela        | 3.00                   | 1.47811    | 1.70767    | 0.32442    |
| Group 3 Average  |                        | 1.79870    | 0.51540    | 0.14170    |
| Benin            | 4.00                   | 5.59184    | -0.96456   | 0.35869    |
| Cameroon         | 4.00                   | 6.47092    | -0.09582   | 0.54827    |
| Kenya            | 4.00                   | 4.97760    | -0.60214   | 1.09069    |
| Malawi           | 4.00                   | 5.58114    | -0.88840   | 0.30125    |
| Mali             | 4.00                   | 5.09042    | -0.61042   | -0.51480   |
| Mauritius        | 4.00                   | 8.74694    | -2.70752   | -0.63634   |
| Nepal            | 4.00                   | 6.66850    | -1.52664   | -1.84801   |
| Niger            | 4.00                   | 6.17414    | -1.13169   | 0.40820    |
| Group 4 Average  |                        | 6.16269    | -1.06590   | -0.03651   |

Notes: Based in Discriminant analysis in Table I-12

| Summary         |      |          |          |          |
|-----------------|------|----------|----------|----------|
| United States   | 1.00 | -4.76397 | 0.42946  | -0.99177 |
| Group 1 Average |      | -4.53147 | -0.79049 | -0.03454 |
| Group 2 Average |      | -0.69016 | 0.77365  | -0.07551 |
| Group 3 Average |      | 1.79870  | 0.51540  | 0.14170  |
| Group 4 Average |      | 6.16269  | -1.06590 | -0.03651 |

Table I-15

## Dimensions of Globalization: Revised Country Group Discriminant Classification, 1977

|                | Initial Group |       | Model Placement |        |        |        |        |
|----------------|---------------|-------|-----------------|--------|--------|--------|--------|
|                |               |       | Group1          | Group2 | Group3 | Group4 | Group5 |
| Australia      | 1.00          | 0.997 | 0.002           | 0.000  | 0.000  | 0.000  | 0.000  |
| Austria        | 1.00          | 0.979 | 0.020           | 0.000  | 0.000  | 0.000  | 0.000  |
| Canada         | 1.00          | 0.999 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Finland        | 1.00          | 0.980 | 0.019           | 0.000  | 0.000  | 0.000  | 0.000  |
| France         | 1.00          | 0.958 | 0.041           | 0.000  | 0.000  | 0.000  | 0.000  |
| *Iceland       | 1.00          | 0.221 | 0.777           | 0.000  | 0.000  | 0.000  | 0.000  |
| Israel         | 1.00          | 0.999 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Italy          | 1.00          | 0.999 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Japan          | 1.00          | 1.000 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Norway         | 1.00          | 1.000 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Netherlands    | 1.00          | 1.000 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| New Zealand    | 1.00          | 0.995 | 0.004           | 0.000  | 0.000  | 0.000  | 0.000  |
| Sweden         | 1.00          | 1.000 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| United Kingdom | 1.00          | 0.999 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| United States  | 1.00          | 0.999 | 0.000           | 0.000  | 0.000  | 0.000  | 0.000  |
| Group Average  |               | 0.942 | 0.058           | 0.000  | 0.000  | 0.000  | 0.000  |
| Argentina      | 2.00          | 0.000 | 0.750           | 0.249  | 0.000  | 0.000  | 0.000  |
| Costa Rica     | 2.00          | 0.000 | 0.909           | 0.089  | 0.000  | 0.000  | 0.000  |
| Egypt          | 2.00          | 0.000 | 0.987           | 0.011  | 0.000  | 0.000  | 0.000  |
| Ghana          | 2.00          | 0.000 | 0.910           | 0.089  | 0.000  | 0.000  | 0.000  |
| Greece         | 2.00          | 0.132 | 0.864           | 0.002  | 0.000  | 0.000  | 0.000  |
| India          | 2.00          | 0.000 | 0.674           | 0.325  | 0.000  | 0.000  | 0.000  |
| *Korea, Rep.   | 2.00          | 0.000 | 0.373           | 0.626  | 0.000  | 0.000  | 0.000  |
| Malaysia       | 2.00          | 0.001 | 0.871           | 0.127  | 0.000  | 0.000  | 0.000  |
| Morocco        | 2.00          | 0.000 | 0.965           | 0.034  | 0.000  | 0.000  | 0.000  |
| *Philippines   | 2.00          | 0.000 | 0.466           | 0.533  | 0.000  | 0.000  | 0.000  |
| Portugal       | 2.00          | 0.016 | 0.979           | 0.004  | 0.000  | 0.000  | 0.000  |
| Spain          | 2.00          | 0.079 | 0.916           | 0.003  | 0.000  | 0.000  | 0.000  |
| Syria          | 2.00          | 0.001 | 0.992           | 0.005  | 0.000  | 0.000  | 0.000  |
| Thailand       | 2.00          | 0.000 | 0.730           | 0.269  | 0.000  | 0.000  | 0.000  |
| Tunisia        | 2.00          | 0.001 | 0.950           | 0.048  | 0.000  | 0.000  | 0.000  |
| Group Average  |               | 0.015 | 0.822           | 0.161  | 0.000  | 0.000  | 0.000  |

Table I-15 (contd)

Dimensions of Globalization: Revised Country Group Discriminant Classification, 1977

|                  | Initial Group | Model Placement |        |        |        |        |
|------------------|---------------|-----------------|--------|--------|--------|--------|
|                  |               | Group1          | Group2 | Group3 | Group4 | Group5 |
| Bangladesh       | 3.00          | 0.000           | 0.011  | 0.986  | 0.002  | 0.000  |
| *Chile           | 3.00          | 0.000           | 0.548  | 0.451  | 0.000  | 0.000  |
| Colombia         | 3.00          | 0.000           | 0.025  | 0.974  | 0.000  | 0.000  |
| Ecuador          | 3.00          | 0.000           | 0.070  | 0.929  | 0.000  | 0.000  |
| *Iran            | 3.00          | 0.000           | 0.525  | 0.474  | 0.000  | 0.000  |
| Jordan           | 3.00          | 0.000           | 0.084  | 0.915  | 0.000  | 0.000  |
| Mauritania       | 3.00          | 0.000           | 0.014  | 0.981  | 0.003  | 0.000  |
| Nicaragua        | 3.00          | 0.000           | 0.010  | 0.989  | 0.000  | 0.000  |
| Pakistan         | 3.00          | 0.000           | 0.181  | 0.818  | 0.000  | 0.000  |
| Papua New Guinea | 3.00          | 0.000           | 0.040  | 0.959  | 0.000  | 0.000  |
| Paraguay         | 3.00          | 0.000           | 0.060  | 0.939  | 0.000  | 0.000  |
| Sri Lanka        | 3.00          | 0.000           | 0.007  | 0.988  | 0.004  | 0.000  |
| Togo             | 3.00          | 0.000           | 0.050  | 0.949  | 0.000  | 0.000  |
| Venezuela        | 3.00          | 0.000           | 0.140  | 0.859  | 0.000  | 0.000  |
| Group Average    |               | 0.000           | 0.126  | 0.872  | 0.001  | 0.000  |
| Kenya            | 4.00          | 0.000           | 0.000  | 0.007  | 0.992  | 0.000  |
| Benin            | 4.00          | 0.000           | 0.000  | 0.000  | 0.999  | 0.000  |
| Cameroon         | 4.00          | 0.000           | 0.000  | 0.000  | 0.999  | 0.000  |
| Malawi           | 4.00          | 0.000           | 0.000  | 0.000  | 0.999  | 0.000  |
| Mali             | 4.00          | 0.000           | 0.000  | 0.003  | 0.996  | 0.000  |
| Mauritius        | 4.00          | 0.000           | 0.000  | 0.000  | 1.000  | 0.000  |
| Nepal            | 4.00          | 0.000           | 0.000  | 0.000  | 1.000  | 0.000  |
| Niger            | 4.00          | 0.000           | 0.000  | 0.000  | 0.999  | 0.000  |
| Group Average    |               | 0.000           | 0.000  | 0.001  | 0.998  | 0.000  |

Notes: Based in Discriminant analysis in Table I-12

\* = misclassified

## Summary

|                 |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|
| Group 1 Average | 0.942 | 0.058 | 0.000 | 0.000 | 0.000 |
| Group 2 Average | 0.015 | 0.822 | 0.161 | 0.000 | 0.000 |
| Group 3 Average | 0.000 | 0.126 | 0.872 | 0.001 | 0.000 |
| Group 4 Average | 0.000 | 0.000 | 0.001 | 0.998 | 0.000 |

Table I-16

## Revised Country Classification Results, 1977

|                              |       | Classification Results <sup>b,c</sup> |      |      |      |       |       |
|------------------------------|-------|---------------------------------------|------|------|------|-------|-------|
|                              |       | Predicted Group Membership            |      |      |      | Total |       |
|                              |       | Revised Classification                | 1.00 | 2.00 | 3.00 | 4.00  |       |
| Original                     | Count | 1.00                                  | 14   | 1    | 0    | 0     | 15    |
|                              |       | 2.00                                  | 0    | 13   | 2    | 0     | 15    |
|                              |       | 3.00                                  | 0    | 2    | 12   | 0     | 14    |
|                              |       | 4.00                                  | 0    | 0    | 0    | 8     | 8     |
|                              | %     | 1.00                                  | 93.3 | 6.7  | .0   | .0    | 100.0 |
|                              |       | 2.00                                  | .0   | 86.7 | 13.3 | .0    | 100.0 |
|                              |       | 3.00                                  | .0   | 14.3 | 85.7 | .0    | 100.0 |
|                              |       | 4.00                                  | .0   | .0   | .0   | 100.0 | 100.0 |
| Cross-validated <sup>a</sup> | Count | 1.00                                  | 14   | 1    | 0    | 0     | 15    |
|                              |       | 2.00                                  | 0    | 13   | 2    | 0     | 15    |
|                              |       | 3.00                                  | 0    | 2    | 12   | 0     | 14    |
|                              |       | 4.00                                  | 0    | 0    | 0    | 8     | 8     |
|                              | %     | 1.00                                  | 93.3 | 6.7  | .0   | .0    | 100.0 |
|                              |       | 2.00                                  | .0   | 86.7 | 13.3 | .0    | 100.0 |
|                              |       | 3.00                                  | .0   | 14.3 | 85.7 | .0    | 100.0 |
|                              |       | 4.00                                  | .0   | .0   | .0   | 100.0 | 100.0 |

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 90.4% of original grouped cases correctly classified.

c. 90.4% of cross-validated grouped cases correctly classified.

Table I-17  
Regression Analysis, Revised Country Group: Factor Scores, 1977

**Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .738 <sup>a</sup> | .545     | .536              | .68148575                  |

- a. Predictors: (Constant), GDPPERPP  
b. Dependent Variable: REGR factor score 2 for analysis  
1

Table G-18  
Regression Model, Revised Country Group: Factor Scores 1977

**Coefficients<sup>a</sup>**

| Model        | Unstandardized Coefficients |            | Standardized Coefficients<br>Beta | t      | Sig. | 95% Confidence Interval for B |             |
|--------------|-----------------------------|------------|-----------------------------------|--------|------|-------------------------------|-------------|
|              | B                           | Std. Error |                                   |        |      | Lower Bound                   | Upper Bound |
| 1 (Constant) | .841                        | .144       |                                   | 5.837  | .000 | .551                          | 1.130       |
| GDPPERPP     | -2.84E-04                   | .000       | -.738                             | -7.734 | .000 | .000                          | .000        |

a. Dependent Variable: REGR factor score 2 for analysis 1

|                | Actual | Predicted | Residual |
|----------------|--------|-----------|----------|
| Australia      | -0.997 | -1.009    | 0.011    |
| Austria        | -0.842 | -1.074    | 0.232    |
| Canada         | -1.009 | -1.363    | 0.354    |
| Finland        | -0.767 | -0.764    | -0.003   |
| France         | -0.732 | -1.030    | 0.297    |
| Israel         | -1.568 | -0.541    | -1.026   |
| Italy          | -1.547 | -0.849    | -0.698   |
| Japan          | -2.069 | -0.858    | -1.2110  |
| Netherlands    | -1.072 | -1.080    | 0.0077   |
| New Zealand    | -0.789 | -0.918    | 0.1290   |
| Norway         | -0.650 | -1.003    | 0.3532   |
| Sweden         | -1.205 | -1.086    | -0.1193  |
| United Kingdom | -0.584 | -0.850    | 0.2655   |
| United States  | -1.543 | -1.720    | 0.1775   |

Notes: Analysis based on model in Table I-18; Independent Variable: GDP per capita, ppp (purchasing power parity); Dependent Variable: Factor 2 (Globalization).

## Factor Scores Model II

### Model Summary<sup>b</sup>

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .761 <sup>a</sup> | .579     | .553              | .66842938                  |

a. Predictors: (Constant), LABOR, GDPPERPP, GDPPPP

b. Dependent Variable: REGR factor score 2 for analysis

1

### Coefficients<sup>a</sup>

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95% Confidence Interval for B |             |
|--------------|-----------------------------|------------|---------------------------|--------|------|-------------------------------|-------------|
|              | B                           | Std. Error |                           |        |      | Lower Bound                   | Upper Bound |
| 1 (Constant) | .920                        | .151       |                           | 6.085  | .000 | .616                          | 1.225       |
| GDPPERPP     | -2.90E-04                   | .000       | -.755                     | -6.832 | .000 | .000                          | .000        |
| GDPPPP       | 1.454E-13                   | .000       | .043                      | .344   | .733 | .000                          | .000        |
| LABOR        | -4.90E-09                   | .000       | -.203                     | -1.861 | .069 | .000                          | .000        |

a. Dependent Variable: REGR factor score 2 for analysis 1

|                | Actual   | Predicted  | Residual   |
|----------------|----------|------------|------------|
| Australia      | -0.99762 | -0.9903426 | -0.0072818 |
| Austria        | -0.84241 | -1.0478454 | 0.2054320  |
| Canada         | -1.00901 | -1.3628970 | 0.3538825  |
| Finland        | -0.76735 | -0.7290770 | -0.0382755 |
| France         | -0.73273 | -1.0575431 | 0.3248086  |
| Israel         | -1.56864 | -0.4980302 | -1.0706054 |
| Italy          | -1.54788 | -0.8701877 | -0.6776952 |
| Japan          | -2.06981 | -.9981193  | -1.0716951 |
| Netherlands    | -1.07240 | -1.0574944 | -0.0149015 |
| Norway         | -0.65068 | -0.9719800 | 0.3213013  |
| Sweden         | -1.20547 | -1.0625077 | -0.1429579 |
| United Kingdom | -0.58486 | -0.8904261 | 0.3055616  |
| United States  | -1.54325 | -1.9184280 | 0.3751799  |

Table I-20  
Regression Analysis, Revised Country Group: First Discriminant Function, Model I, 1977

**Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .809 <sup>a</sup> | .654     | .647              | 2.18261110                 |

a. Predictors: (Constant), GDPPERPP

b. Dependent Variable: Discriminant Scores from Function 1 for Analysis 1

Table I-21  
Regression Model, Revised Country Group: First Discriminant Function, Model I 1977

**Coefficients<sup>a</sup>**

| Model | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95% Confidence Interval for B |             |
|-------|-----------------------------|------------|---------------------------|--------|------|-------------------------------|-------------|
|       | B                           | Std. Error |                           |        |      | Lower Bound                   | Upper Bound |
| 1     | (Constant) 3.387            | .461       |                           | 7.342  | .000 | 2.460                         | 4.313       |
|       | GDPPERPP -1.14E-03          | .000       | -.809                     | -9.729 | .000 | -.001                         | -.001       |

a. Dependent Variable: Discriminant Scores from Function 1 for Analysis 1

|                | Actual | Predicted | Residual |
|----------------|--------|-----------|----------|
| Australia      | 0.143  | -3.754    | -4.067   |
| Austria        | 0.437  | -3.375    | -4.329   |
| Canada         | 0.247  | -4.955    | -5.494   |
| Finland        | -0.030 | -3.143    | -3.078   |
| France         | 0.498  | -3.064    | -4.151   |
| Israel         | -1.498 | -5.452    | -2.183   |
| Italy          | -0.591 | -4.713    | -3.423   |
| Japan          | -1.151 | -5.971    | -3.459   |
| Netherlands    | -0.964 | -6.455    | -4.351   |
| New Zealand    | 0.133  | -3.410    | -3.701   |
| Norway         | -0.665 | -5.495    | -4.044   |
| Sweden         | -0.353 | -5.146    | -4.375   |
| United Kingdom | -0.143 | -3.737    | -3.426   |
| United States  | 0.994  | -4.763    | -6.932   |
|                |        |           | 2.168    |

---

Notes: Independent Variable: GDP per capita, ppp (purchasing power parity)  
 Dependent Variable: Discriminant Function 1. Based on model in Table I-21.  
 Discriminant Model II

### Model Summary<sup>b</sup>

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .820 <sup>a</sup> | .672     | .651              | 2.16999351                 |

a. Predictors: (Constant), LABOR, GDPPERPP, GDPPPP

b. Dependent Variable: Discriminant Scores from  
 Function 1 for Analysis 1

### Coefficients<sup>a</sup>

| Model | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.   | 95% Confidence Interval for B |             |
|-------|-----------------------------|------------|---------------------------|-------|--------|-------------------------------|-------------|
|       | B                           | Std. Error |                           |       |        | Lower Bound                   | Upper Bound |
| 1     | (Constant)                  | 3.667      | .491                      | 7.467 | .000   | 2.679                         | 4.654       |
|       | GDPPERPP                    | -1.22E-03  | .000                      | -.866 | -.876  | .000                          | -.002       |
|       | GDPPPP                      | 1.564E-12  | .000                      | .125  | 1.138  | .261                          | .000        |
|       | LABOR                       | -1.33E-08  | .000                      | -.150 | -1.558 | .126                          | .000        |

a. Dependent Variable: Discriminant Scores from Function 1 for Analysis 1

|                | Actual   | Predicted  | Residual   |
|----------------|----------|------------|------------|
| Australia      | -3.75465 | -4.2573233 | 0.5026730  |
| Austria        | -3.37544 | -4.5618286 | 1.1863928  |
| Canada         | -4.95542 | -5.7055528 | 0.7501292  |
| Finland        | -3.14319 | -3.2474400 | 0.1042528  |
| France         | -3.06483 | -4.1705543 | 1.1057219  |
| Israel         | -5.45299 | -2.2893075 | -3.1636801 |
| Italy          | -4.71328 | -3.4039981 | -1.3092799 |
| Japan          | -5.97111 | -3.3580874 | -2.6130261 |
| Netherlands    | -6.45592 | -4.5465784 | -1.9093376 |
| New Zealand    | -3.41098 | -3.9114948 | 0.5005128  |
| Norway         | -5.49524 | -4.2761575 | -1.2190794 |
| United Kingdom | -3.73733 | -3.4582803 | -0.2790529 |
| United States  | -4.76397 | -5.6552172 | 0.8912436  |